



# LOGS12004 Supply Markets and Procurement

## Term 2 - 2019

Profile information current as at 18/05/2024 05:12 pm

All details in this unit profile for LOGS12004 have been officially approved by CQUUniversity and represent a learning partnership between the University and you (our student). The information will not be changed unless absolutely necessary and any change will be clearly indicated by an approved correction included in the profile.

### General Information

#### Overview

This unit will allow you to develop an appreciation and understanding of the broader factors contained within the Procurement function, including global supply markets and establishing contracts with local and international suppliers. You will examine procurement from different perspectives at the organisational level, to critically evaluate aspects of procurement, including strategies for creating and sustaining value through dealings in supply markets and structuring contracts. The unit seeks to develop analytical skills for evaluating global supply markets and encourages the adoption of a critical perspective of the procurement processes.

#### Details

Career Level: *Undergraduate*

Unit Level: *Level 2*

Credit Points: 6

Student Contribution Band: 10

Fraction of Full-Time Student Load: 0.125

#### Pre-requisites or Co-requisites

There are no requisites for this unit.

Important note: Students enrolled in a subsequent unit who failed their pre-requisite unit, should drop the subsequent unit before the census date or within 10 working days of Fail grade notification. Students who do not drop the unit in this timeframe cannot later drop the unit without academic and financial liability. See details in the [Assessment Policy and Procedure \(Higher Education Coursework\)](#).

#### Offerings For Term 2 - 2019

- Online

#### Attendance Requirements

All on-campus students are expected to attend scheduled classes – in some units, these classes are identified as a mandatory (pass/fail) component and attendance is compulsory. International students, on a student visa, must maintain a full time study load and meet both attendance and academic progress requirements in each study period (satisfactory attendance for International students is defined as maintaining at least an 80% attendance record).

#### Website

[This unit has a website, within the Moodle system, which is available two weeks before the start of term. It is important that you visit your Moodle site throughout the term. Please visit Moodle for more information.](#)

## Class and Assessment Overview

### Recommended Student Time Commitment

Each 6-credit Undergraduate unit at CQUniversity requires an overall time commitment of an average of 12.5 hours of study per week, making a total of 150 hours for the unit.

### Class Timetable

#### [Regional Campuses](#)

Bundaberg, Cairns, Emerald, Gladstone, Mackay, Rockhampton, Townsville

#### [Metropolitan Campuses](#)

Adelaide, Brisbane, Melbourne, Perth, Sydney

### Assessment Overview

#### 1. **Written Assessment**

Weighting: 20%

#### 2. **Written Assessment**

Weighting: 40%

#### 3. **Written Assessment**

Weighting: 40%

### Assessment Grading

This is a graded unit: your overall grade will be calculated from the marks or grades for each assessment task, based on the relative weightings shown in the table above. You must obtain an overall mark for the unit of at least 50%, or an overall grade of 'pass' in order to pass the unit. If any 'pass/fail' tasks are shown in the table above they must also be completed successfully ('pass' grade). You must also meet any minimum mark requirements specified for a particular assessment task, as detailed in the 'assessment task' section (note that in some instances, the minimum mark for a task may be greater than 50%). Consult the [University's Grades and Results Policy](#) for more details of interim results and final grades.

## CQUniversity Policies

**All University policies are available on the [CQUniversity Policy site](#).**

You may wish to view these policies:

- Grades and Results Policy
- Assessment Policy and Procedure (Higher Education Coursework)
- Review of Grade Procedure
- Student Academic Integrity Policy and Procedure
- Monitoring Academic Progress (MAP) Policy and Procedure – Domestic Students
- Monitoring Academic Progress (MAP) Policy and Procedure – International Students
- Student Refund and Credit Balance Policy and Procedure
- Student Feedback – Compliments and Complaints Policy and Procedure
- Information and Communications Technology Acceptable Use Policy and Procedure

This list is not an exhaustive list of all University policies. The full list of University policies are available on the [CQUniversity Policy site](#).

## Unit Learning Outcomes

**On successful completion of this unit, you will be able to:**

1. Assess and discuss the role of procurement in an organisation, its value and effectiveness.
2. Analyse the factors that affect procurement (including contract) decisions when operating in domestic and global supply markets.
3. Compare and contrast organisational internal and external environments and the effects on relationships with suppliers.
4. Critically analyse procurement and contracting theories and actual experiences to support the development of a procurement model for businesses in different countries, industries and with different organisation structures.
5. Evaluate processes and measures of performance in procurement.

## Alignment of Learning Outcomes, Assessment and Graduate Attributes



### Alignment of Assessment Tasks to Learning Outcomes

Assessment Tasks	Learning Outcomes				
	1	2	3	4	5
<b>1 - Written Assessment - 20%</b>	•				•
<b>2 - Written Assessment - 40%</b>		•	•	•	
<b>3 - Written Assessment - 40%</b>		•	•	•	

### Alignment of Graduate Attributes to Learning Outcomes

Graduate Attributes	Learning Outcomes				
	1	2	3	4	5
<b>1 - Communication</b>					
<b>2 - Problem Solving</b>				•	
<b>3 - Critical Thinking</b>	•	•	•	•	•
<b>4 - Information Literacy</b>	•	•	•		
<b>5 - Team Work</b>					
<b>6 - Information Technology Competence</b>					
<b>7 - Cross Cultural Competence</b>	•	•	•	•	•
<b>8 - Ethical practice</b>	•	•	•	•	•
<b>9 - Social Innovation</b>					

Graduate Attributes	Learning Outcomes				
	1	2	3	4	5
<b>10 - Aboriginal and Torres Strait Islander Cultures</b>					

## Alignment of Assessment Tasks to Graduate Attributes

Assessment Tasks	Graduate Attributes									
	1	2	3	4	5	6	7	8	9	10
<b>1 - Written Assessment - 20%</b>		•	•				•	•		
<b>2 - Written Assessment - 40%</b>	•	•	•		•		•	•		
<b>3 - Written Assessment - 40%</b>	•	•	•		•		•	•		

## Textbooks and Resources

### Textbooks

LOGS12004

#### Prescribed

#### Purchasing and Supply Chain Management

Edition: 3rd Ed. (2014)

Authors: W. C. Benton Jr.

McGraw Hill Education

New York , New York , USA

ISBN: 978 0 07 802411 5

Binding: Hardcover

#### Additional Textbook Information

Paper copies are available at the CQUni Bookshop here: <http://bookshop.cqu.edu.au> (search on the Unit code)

[View textbooks at the CQUniversity Bookshop](#)

### IT Resources

**You will need access to the following IT resources:**

- CQUniversity Student Email
- Internet
- Unit Website (Moodle)

## Referencing Style

All submissions for this unit must use the referencing style: [American Psychological Association 6th Edition \(APA 6th edition\)](#)

For further information, see the Assessment Tasks.

## Teaching Contacts

**Brian Carr** Unit Coordinator

[b.carr@cqu.edu.au](mailto:b.carr@cqu.edu.au)

## Schedule

### Week 1 Overview of Purchasing in the Supply Chain - 15 Jul 2019

Module/Topic	Chapter	Events and Submissions/Topic
Investigate the key stakeholders in the procurement process. Organising an integrated procurement process. Compare and contrast centralised and decentralised procurement systems.	Read Chapter 1	

### Week 2 Purchasing and Procurement Decisions and Strategy - 22 Jul 2019

Module/Topic	Chapter	Events and Submissions/Topic
Discuss the role of purchasing in corporate strategy. Explore the most important elements of the strategic planning process for procurement. Explain how sourcing is integrated into corporate strategy. Learn how to develop a strategic procurement plan.	Read Chapter 2	

### Week 3 The Legal Aspects of Purchasing - 29 Jul 2019

Module/Topic	Chapter	Events and Submissions/Topic
Discuss the legal environment of the procurement function. Understand the extent of the purchasing professional's legal authority and the implications in relation to ethics. Discuss contract and leasing issues obligations regarding an offer.	Read Chapter 3	

### Week 4 Purchasing Procedures E-Procurement and Systems Contracting - 05 Aug 2019

Module/Topic	Chapter	Events and Submissions/Topic
Identify the steps in conventional procurement practices. Investigate structures and main activities of typical purchasing departments. Identify the technical requirements for e-procurement. Introduce the RFID technology.	Read Chapter 7	

### Week 5 Supplier Selection and Evaluation in Service Markets - 12 Aug 2019

Module/Topic	Chapter	Events and Submissions/Topic
Identify the qualifications of good suppliers. Learn the key elements of the make-versus-buy decision. Discuss supplier relationship management. Explore supplier evaluation in a variety of industrial environments.	Read Chapter 8	Issue briefing note for A1 Students to read Case 25 in the text book Swisher Systems.

### Vacation Week - 19 Aug 2019

Module/Topic	Chapter	Events and Submissions/Topic
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### Week 6 Global Sourcing - 26 Aug 2019

Module/Topic	Chapter	Events and Submissions/Topic
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Identify the drivers of increasing foreign trade.  
 Know the basics of global sourcing.  
 Critically evaluate various global sourcing alternatives.  
 Know how to negotiate in different countries.

Read Chapter 9 and 10.

A1 Due 28 Aug.  
 Issue briefing note for A2.  
 Students to read Case 11 Offshore Supply Crisis - I need my steel.

**Increasing Costs at Swisher Systems Corporation** Due: Week 6 Wednesday (28 Aug 2019) 11:45 pm AEST

### Week 7 Supply Partnerships in Service Markets and Supply Power - 02 Sep 2019

Module/Topic	Chapter	Events and Submissions/Topic
Understand the relationship between procurement, supply partnerships and supply chain power.	Read Chapter 11	

### Week 8 Bargaining and Negotiation in Supply Markets. - 09 Sep 2019

Module/Topic	Chapter	Events and Submissions/Topic
Understand the difference between bargaining and negotiations. Identify the difference between the psychological and economic aspects of bargaining. Implement effective bargaining strategies.	Read Chapter 14	

### Week 9 Special Procurement Applications - Transport Services - 16 Sep 2019

Module/Topic	Chapter	Events and Submissions/Topic
Understand purchasing of transport services. Discuss the nature of modern transport service delivery. Know how to determine the appropriate price determination strategy for alternative transport modes. Explain how third party relationships work. Summarise the terms and conditions of transportation of merchandise.	Read Chapter 15	A2 Due. Issue briefing note for A3. Students to read Case 21 in the text book The Art and Science of Purchasing Coal.  <b>Offshore Supply Crisis - I Need my Steel.</b> Due: Week 9 Wednesday (18 Sept 2019) 11:45 pm AEST

### Week 10 Special Procurement Applications - Equipment Acquisition and Disposal - 23 Sep 2019

Module/Topic	Chapter	Events and Submissions/Topic
Identify the issues in the capital equipment process. Learn the three criteria applied to a cash flow analysis for equipment acquisition. Discuss the role procurement plays in capital equipment acquisitions.	Read Chapter 16	

### Week 11 Special Procurement Applications - Sourcing Professional Services - 30 Sep 2019

Module/Topic	Chapter	Events and Submissions/Topic
Understand the service sector characteristics and strategies. Identify the activities involved in procuring professional services. Discuss what is meant by scope of works and how professional services are priced. Discuss how the critical path method is used to plan, and control complex projects.	Read Chapter 18	

**Week 12 Total Quality Management and Purchasing. - 07 Oct 2019**

Module/Topic	Chapter	Events and Submissions/Topic
Identify procurement's role in a firm within an overall quality assurance program. Explore the various costs of a quality program and why it is difficult to measure these costs. Know the mechanics of acceptance sampling for commodity purchasing. Identify the advantages of statistical process control (SPC).	Read Chapter 12.	A3 Due. Course Assessment.  <b>The Art and Science of Purchasing Coal</b> Due: Week 12 Wednesday (9 Oct 2019) 11:45 pm AEST

**Review/Exam Week - 14 Oct 2019**

Module/Topic	Chapter	Events and Submissions/Topic
<b>Exam Week - 21 Oct 2019</b>		
Module/Topic	Chapter	Events and Submissions/Topic

## Assessment Tasks

### 1 Increasing Costs at Swisher Systems Corporation

**Assessment Type**

Written Assessment

**Task Description**

Swisher Systems is an industrial heating products company that was established in 1949. The company is an innovator of flexible heating products, especially with its knit and braided heating elements. This heating element is a multi-stranded resistance wire that is knit and braided with fiberglass and is the base technology for almost all of Swisher System's products. Bill Simpson from the Engineering Department is distraught over a significant price increase for capacitors. Bill confronted the purchasing manager, Mike Watkins about the situation. Mike Watkins is the director of purchasing for Swisher Systems Corporation. Mr. Watkins is solely responsible for the purchasing activities throughout the company. Bill is expecting Mike to resolve the problems his staff are facing. As Todd Evans, the Summer purchasing intern, you are to address the following issues:

- 1 What are the responsibilities of an effective purchasing department? Using the case data evaluate the Bill Simpson complaint. How can the internal issues between Bill Simpson and Mr. Watson be resolved?
- 2 Evaluate the purchasing process at Swisher. If needed, what are your suggestions for improvement?
- 3 Discuss the concept of supplier relationship building at Swisher. Provide pros and cons to the current system.

**Assessment Due Date**

Week 6 Wednesday (28 Aug 2019) 11:45 pm AEST

On Line

**Return Date to Students**

Week 8 Wednesday (11 Sept 2019)

On Line

**Weighting**

20%

**Assessment Criteria**

1. A thorough knowledge and critical analysis of the problem(s) identified in the case study expressed within a well-developed academic essay.
2. A critical review of the academic literature relevant to the problem(s) identified in the case study. This should be embedded in the discussion, not presented separately.
3. Appropriateness of evidence-based responses to the case study questions including an effective analysis of the situation along with relevant commentary on the issues of concern.
4. Application of SIX (6) relevant academic journal articles and appropriate reference to the prescribed textbook.
5. Clarity of expression/grammar and correct spelling using Australian English.
6. Strict conformity to referencing style as set out in the Publication Manual of the American Psychological Association, Sixth Edition (Refer to the Abridged Guide to APA Referencing Style).
7. Appropriate presentation in an essay format within a maximum 1500 words (+/-10%) (penalties apply for exceeding this limit).

**Referencing Style**

- [American Psychological Association 6th Edition \(APA 6th edition\)](#)

**Submission**

Online

**Submission Instructions**

On Line through Moodle.

**Learning Outcomes Assessed**

- Assess and discuss the role of procurement in an organisation, its value and effectiveness.
- Evaluate processes and measures of performance in procurement.

**Graduate Attributes**

- Problem Solving
- Critical Thinking
- Cross Cultural Competence
- Ethical practice

## 2 Offshore Supply Crisis - I Need my Steel.

**Assessment Type**

Written Assessment

**Task Description**

Mr. Patton, vice president of purchasing for Code C, Inc., is concerned about a price increase from a Malaysian supplier. Last summer Code C was celebrating a 60 percent cost reduction based on replacing their major specialty steel supplier with Eastern Waves, in Kuantan, Malaysia. Eastern Wave is a small steel manufacturing company in Malaysia. It has several plants in Malaysia and China and produces various downstream steel products such as angle steel, I-beam, and round bar. The angle steel plant is located in Kuantan, Malaysia. The production method of the angle steel is called continuous rolling and the key raw material ingredient for angle steel production is billets. When operating at full efficiency, the annual capacity of the angle steel production is 10,000 MT. However, there are problems in relation to supply with the government's trade barriers on billets. Furthermore, Eastern Waves difficulty in controlling their labour force makes it very difficult to adjust to the demand fluctuations of angled steel. Jon James is the director of global sourcing; he has been directed by the VP to resolve the issues of supply. As the Director of Global Sourcing (DGS) students are to address the following issues:

1. As Jon James (DGS), write a critique analyzing the situation in Malaysia for Mr. Patton. What recommendations do you suggest?
2. How can Code C avoid future sourcing disruptions?
3. How should Code C critically analyze future global sourcing alternatives?



**Assessment Due Date**

Week 9 Wednesday (18 Sept 2019) 11:45 pm AEST

On Line

**Return Date to Students**

Week 11 Wednesday (2 Oct 2019)

On Line

**Weighting**

40%

**Assessment Criteria**

1. A thorough knowledge and critical analysis of the problem(s) identified in the case study expressed within a well-developed report.
2. Compelling expression of your evidence-based arguments. Appropriate and well structured, concise and clear expression of logistics management arguments.
3. Clear flow of thought throughout the business report, leading to key recommendations. Clear and succinct action plan.
4. Integration of relevant academic insights from at least EIGHT (8) relevant academic journal articles and appropriate reference to the prescribed textbook.
5. Clarity of expression, grammar, use of Australian-English, APA referencing, and in a Business Report format.

**Referencing Style**

- [American Psychological Association 6th Edition \(APA 6th edition\)](#)

**Submission**

Online

**Submission Instructions**

On Line through Moodle.

**Learning Outcomes Assessed**

- Analyse the factors that affect procurement (including contract) decisions when operating in domestic and global supply markets.
- Compare and contrast organisational internal and external environments and the effects on relationships with suppliers.
- Critically analyse procurement and contracting theories and actual experiences to support the development of a procurement model for businesses in different countries, industries and with different organisation structures.

**Graduate Attributes**

- Communication
- Problem Solving
- Critical Thinking
- Team Work
- Cross Cultural Competence
- Ethical practice

### 3 The Art and Science of Purchasing Coal

**Assessment Type**

Written Assessment

**Task Description**

National Electric Power is a multinational energy company with a variety of energy assets. NEP is headquartered in Columbus, Ohio, and has a service area of approximately 197,500 square miles in Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia. In 2001, NEP had revenues of \$61.3 billion and carried \$47 billion in assets, making them the largest electricity generator in the United States.

Deon Houston, vice president for the National Electric Power (NEP) Commodity Trading Division, was in the process of producing her annual sourcing report for the company's three-year plan. While NEP seems to have had success using the competitive bidding process, reverse auctions may be the way of the future. Mrs. Houston was wondering if the reverse auction sourcing approach would work for purchasing the company's coal requirements.

As purchasing manager for NEP, draft an executive report and an action plan for the VP that addresses:

1. Your evaluation of the various alternatives open to Deon for the purchase of coal?
2. What recommendations would you make to Deon regarding the purchase of coal?

**Assessment Due Date**

Week 12 Wednesday (9 Oct 2019) 11:45 pm AEST

On Line

**Return Date to Students**

On Line. In accordance with University policy, feedback for A3 will be provided after certification of grades.

**Weighting**

40%

**Assessment Criteria**

1. A thorough knowledge and critical analysis of the problem(s) identified in the case study expressed within a well-developed report.
2. Compelling expression of your evidence-based arguments. Appropriate and well structured, concise and clear expression of acquisition of commodities.
3. Clear flow of thought throughout the business report, leading to key recommendations. Clear and succinct action plan.
4. Integration of relevant academic insights from at least eight (8) relevant academic journal articles and appropriate reference to the prescribed textbook.
5. Clarity of expression, grammar, use of Australian-English, APA referencing, and in a Business Report format.

**Referencing Style**

- [American Psychological Association 6th Edition \(APA 6th edition\)](#)

**Submission**

Online

**Learning Outcomes Assessed**

- Analyse the factors that affect procurement (including contract) decisions when operating in domestic and global supply markets.
- Compare and contrast organisational internal and external environments and the effects on relationships with suppliers.
- Critically analyse procurement and contracting theories and actual experiences to support the development of a procurement model for businesses in different countries, industries and with different organisation structures.

**Graduate Attributes**

- Communication
- Problem Solving
- Critical Thinking
- Team Work
- Cross Cultural Competence
- Ethical practice

## Academic Integrity Statement

As a CQUniversity student you are expected to act honestly in all aspects of your academic work.

Any assessable work undertaken or submitted for review or assessment must be your own work. Assessable work is any type of work you do to meet the assessment requirements in the unit, including draft work submitted for review and feedback and final work to be assessed.

When you use the ideas, words or data of others in your assessment, you must thoroughly and clearly acknowledge the source of this information by using the correct referencing style for your unit. Using others' work without proper acknowledgement may be considered a form of intellectual dishonesty.

Participating honestly, respectfully, responsibly, and fairly in your university study ensures the CQUniversity qualification you earn will be valued as a true indication of your individual academic achievement and will continue to receive the respect and recognition it deserves.

As a student, you are responsible for reading and following CQUniversity's policies, including the [Student Academic Integrity Policy and Procedure](#). This policy sets out CQUniversity's expectations of you to act with integrity, examples of academic integrity breaches to avoid, the processes used to address alleged breaches of academic integrity, and potential penalties.

### What is a breach of academic integrity?

A breach of academic integrity includes but is not limited to plagiarism, self-plagiarism, collusion, cheating, contract cheating, and academic misconduct. The Student Academic Integrity Policy and Procedure defines what these terms mean and gives examples.

### Why is academic integrity important?

A breach of academic integrity may result in one or more penalties, including suspension or even expulsion from the University. It can also have negative implications for student visas and future enrolment at CQUniversity or elsewhere. Students who engage in contract cheating also risk being blackmailed by contract cheating services.

### Where can I get assistance?

For academic advice and guidance, the [Academic Learning Centre \(ALC\)](#) can support you in becoming confident in completing assessments with integrity and of high standard.

### What can you do to act with integrity?



#### Be Honest

If your assessment task is done by someone else, it would be dishonest of you to claim it as your own



#### Seek Help

If you are not sure about how to cite or reference in essays, reports etc, then seek help from your lecturer, the library or the Academic Learning Centre (ALC)



#### Produce Original Work

Originality comes from your ability to read widely, think critically, and apply your gained knowledge to address a question or problem